

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

AGREED-UPON PROCEDURES

JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **SEP 14 2011**

**LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
AGREED-UPON PROCEDURES
JUNE 30, 2011**

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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board Members of the
Louisiana Board of Examiners of
Nursing Facility Administrators
5647 Superior Drive
Baton Rouge, Louisiana 70816

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable".

Management of the Louisiana Board of Examiners of Nursing Facility Administrators, a component unit of the State of Louisiana, is responsible for its financial records, establishing internal controls over financial reporting and compliance with applicable laws and regulations. These procedures were agreed to by management of the Louisiana Board of Examiners of Nursing Facility Administrators and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Louisiana Board of Examiners of Nursing Facility Administrators' compliance with certain laws and regulations during the year ended June 30, 2011.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

General

1. Determine if there are adequate written policies and procedures for the primary financial and business functions of the entity.

No exceptions noted.

2. Perform analytical procedures comparing current and prior year financial statements by line item. Identify and obtain explanations for variances of 10% or greater for line items and/or 10% or more of the respective assets, liabilities, equity, revenues and expenses.

No exceptions noted.

Cash

1. Prepare a proof of cash for the period covered by the financial statements.

This was accomplished for each bank account maintained by the Board.

2. Determine if cash collection responsibilities are adequately segregated to ensure that the person responsible for cash collections is not responsible for posting accounts receivable or making deposits.

No exceptions noted.

3. Determine if bank reconciliations have been prepared for all months in the period covered by the financial statements. Determine if there is evidence of management review of the bank reconciliations. Determine if the reconciled balance for the final month of the fiscal or calendar year agrees to the general ledger.

No exceptions noted.

Credit Cards

1. Obtain from management a listing of all active credit/debit cards for the period under examination, including the card numbers and the names of the persons who maintained possession of the card.

This information was obtained.

2. Obtain the monthly statements for all credit/debit cards used during the period under examination and select for detailed review the largest (dollar amount) statement for the two cards with the most activity:

a. obtain the entity's supporting documentation for the largest purchase/charge shown on each selected monthly statement:

1. determine if each purchase is supported by:

- i. an original itemized receipt;
- ii. documentation of the business/public purpose;
- iii. other documentation as may be required by policy; and

2. determine if selected purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law.

- b. determine if there is evidence of management review of the two selected statements.

No exceptions noted.

Travel and Expense Reimbursement

1. Obtain a listing of all travel and related expense reimbursements during the period under examination and trace to the general ledger for completeness. Select for review the three persons who were reimbursed the most money:

a. obtain all of the expense reimbursement reports of each selected person, including the supporting documentation and choose the largest expense report from each person to review in detail:

1. determine if each expenditure is:
 - i. reimbursed in accordance with written policy and applicable laws;
 - ii. for an appropriate and necessary business purpose relative to the travel; and
2. determine if each expenditure is supported by:
 - i. an original itemized receipt;
 - ii. documentation of the business/public purpose;
 - iii. other documentation as may be required by policy; and

3. determine if each expense report was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

1. Review accounting records for the period under examination to identify individuals/businesses being paid for contracted services. Select five "vendors" that were paid the most money during the period and determine if there is a formal/written contract that supports these services arrangement.

Appropriate review and information was obtained.

2. Obtain a listing of all active contracts and the expenditures made during the period under examination and trace to the general ledger for completeness. Select for detailed review, the largest (dollar amount) contract in each of the following categories that was entered into during the period - (1) services; (2) materials and supplies; and (3) public works.

a. obtain the selected contract and the related paid invoices and:

1. determine if the contract is a related party transaction by obtaining management's representation; and

2. determine if the transaction is subject to the Louisiana Public Bid Law or Procurement Code:

 i. if yes, determine if the entity complied with all requirements; and
 ii. if no, determine if the entity provided an open and competitive atmosphere for the transaction/work; and

3. determine if the contract was amended:

- i. if so, determine whether the original contract contemplated or provided for such an amendment; and
 - ii. determine if the amendment is outside of the scope of the original contract:
 - a. if so, whether it should have been separately bid and contracted; and
- 4. select the largest payment from each of the three largest contracts selected above and determine if the invoice(s) received and payment complied with the terms and conditions of the contract; and
- 5. determine if there is documentation of board approval, if required.

No exceptions noted.

Payroll and Personnel

- 1. Obtain a listing of employment contracts/salaries in force during the period under examination and trace to the general ledger for completeness. Select the five highest paid employees and:
 - a. determine if payments issued during the period under examination were done in strict accordance with the terms and conditions of the contract or pay rate structure; and
 - b. determine if changes made to hourly pay rates/salaries during the period under examination were approved in writing and in accordance with policy.

No exceptions noted.

- 2. Select the attendance and leave records for one pay period in which leave has been taken by at least one employee and:
 - a. determine if all employees are documenting their daily attendance and leave; and
 - b. determine if supervisors are approving, in writing, the attendance and leave of all employees; and
 - c. determine if the entity is maintaining accurate written leave records on all eligible employees.

No exceptions noted.

- 3. Select the two largest termination payments made during the period under examination. Determine if the payments were supported by adequate documentation made in strict accordance with policy and/or contract and properly approved.

No exceptions noted.

Budget

- 1. Obtain a copy of the legally adopted budget and all amendments.

Copies were obtained.

2. Trace the budget adoption and amendments to the minute book.

The adoption and subsequent amendment was traced to the minute book.

3. Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

No exceptions noted.

Debt

1. If debt was issued during the financial statement period, verify that State Bond Commission approval was obtained, as applicable.

Not applicable.

2. Determine compliance with applicable debt covenants.

Not applicable.

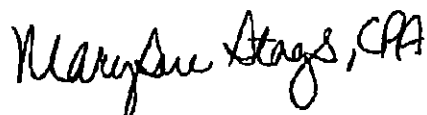
Corrective Action

1. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

Not applicable.

We were not engaged to perform, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Louisiana Board of Examiners of Nursing Facility Administrators and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:515, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
August 23, 2011

**LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2011**

Financial Statement Findings

N/A

**LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2011**

N/A

SUPPLEMENTAL SCHEDULES

**LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2011**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2011.

Name

Crabtree, Scott	\$ 525.00
Dennis, Betty	150.00
Goux, Ronald	150.00
LaBrosse, Patricia	450.00
Naquin, Ray	300.00
Nelson, Susan	150.00
Stott, Martin	300.00
Thibodaux, Earl	750.00
Wilbanks, Delbert	375.00
Wright, Kemp	<u>600.00</u>
Total	<u>3,750.00</u>

BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2011

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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2011

LA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
5647 Superior Drive
Baton Rouge, Louisiana 70816-6049

Division of Administration
Office of Statewide Reporting
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P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

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Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Mark Hebert, Executive Director, of the La Board of Examiners of Nursing Facility Administrators, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Board at June 30, 2011 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 3RD day of AUGUST, 2011.


Signature of Agency Official


NOTARY PUBLIC
BAR Roll # 12199
H. DAVID SMITH

Prepared by: Mark Hebert
Title: Executive Director

Telephone No.: (225) 295-8571

Date: AUGUST 3RD, 2011

Email Address: mhebert@labenfa.com

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
BALANCE SHEET
AS OF JUNE 30, 2011

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 199,400
Restricted Cash and Cash Equivalents	
Investments	
Derivative instrument	
Deferred outflow of resources	
Receivables (net of allowance for doubtful accounts)(Note U)	11,245
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	210,645

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	27,300
Buildings and improvements	129,829
Machinery and equipment	2,358
Infrastructure	
Intangible assets	
Construction/Development-in-progress	
Other noncurrent assets	
Total noncurrent assets	159,487
Total assets	\$ 370,132

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 13,803
Derivative instrument	
Deferred inflow of resources	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	218,825
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Other long-term liabilities	
Total current liabilities	232,628

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	22,062
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable (include unamortized costs)	
OPEB payable	260,500
Other long-term liabilities	
Total noncurrent liabilities	282,562
Total liabilities	515,190

NET ASSETS

Invested in capital assets, net of related debt	159,487
Restricted for:	
Capital projects	
Debt Service	
Unemployment compensation	
Other specific purposes	
Unrestricted	(304,545)
Total net assets	(145,058)
Total liabilities and net assets	\$ 370,132

See accompanying notes and accountant's report.

Statement B

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

OPERATING REVENUE	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	465,067
Other	21,049
Total operating revenues	486,116
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	545,476
Depreciation	5,520
Amortization	_____
Total operating expenses	550,996
Operating income(loss)	(64,880)
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	1,011
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	1,011
Income(loss) before contributions, extraordinary items, & transfers	(63,869)
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	(63,869)
Total net assets -- beginning	(81,189)
Total net assets -- ending	\$ (145,058)

See accompanying notes and accountant's report.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Statement C

		Program Revenues		
		Operating	Capital	Net (Expense)
	Expenses	Charges for	Grants and	Revenue and
		Services	Grants and	Changes in
		Contributions	Contributions	Net Assets
Entity	\$ 550,996	\$ 486,116	\$	\$ (64,880)
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				1,011
Miscellaneous				
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				1,011
Change in net assets				(63,869)
Net assets - beginning as restated				(81,189)
Net assets - ending				\$ (145,058)

See accompanying notes and accountant's report.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY
ADMINISTRATORS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

Statement D
(continued)

Cash flows from operating activities		
Cash received from customers	\$ 512,022	
Cash payments to suppliers for goods and services	(166,117)	
Cash payments to employees for services	(333,157)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		12,748
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		-
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	1,011	
Net cash provided(used) by investing activities		1,011
Net increase(decrease) in cash and cash equivalents		13,759
Cash and cash equivalents at beginning of year		185,641
Cash and cash equivalents at end of year	\$	199,400

See accompanying notes and accountant's report.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY
ADMINISTRATORS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

Statement D
(concluded)

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$ (64,880)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:	
Depreciation/amortization	5,520
Provision for uncollectible accounts	
Other	
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable, net	6,407
(Increase)decrease in due from other funds	
(Increase)decrease in prepayments	
(Increase)decrease in inventories	
(Increase)decrease in other assets	
Increase(decrease) in accounts payable and accruals	(6,554)
Increase(decrease) in compensated absences payable	2,555
Increase(decrease) in due to other funds	
Increase(decrease) in deferred revenues	19,500
Increase(decrease) in OPEB payable	50,200
Increase(decrease) in other liabilities	
Net cash provided(used) by operating activities	\$ 12,748

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	\$ -

See accompanying notes and accountant's report.

**STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

INTRODUCTION

The Louisiana Board of Examiners of Nursing Facility Administrators is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statutes (LSA-R.S.) 36:803. The Board is located in Baton Rouge, Louisiana. The Board is composed of thirteen members, ten are ex-officio members from various health care agencies and three are appointed by the governor. Each board member serves three-year terms. The Board is responsible for developing, imposing, and enforcing standards for nursing facility administrators, issuing licenses, investigating complaints, and developing and maintaining a federally mandated Certified Nurse Aide Registry. The board issues Nurse Aid Certification cards biannually for a \$10 fee. Operations of the Board are funded with self-generated fees and reimbursements through an interagency agreement with DHH.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana Board of Examiners of Nursing Facility Administrators present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Board of Examiners of Nursing Facility Administrators are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2011

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Board of Examiners of Nursing Facility Administrators are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>554,844</u>
Amendments:	<u> </u> <u> </u> <u> </u> <u> </u>
Final approved budget	\$ <u><u>554,844</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Board of Examiners of Nursing Facility Administrators may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2011

deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2011, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 199,400	\$	\$	\$ 199,400
Deposits in bank accounts per bank	\$ 210,538	\$	\$	\$ 210,538
Bank balances exposed to custodial credit risk:	\$ -	\$	\$	\$ -
a. Uninsured and uncollateralized	-			-
b. Uninsured and collateralized with securities held by the pledging institution	-			-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's	-			-

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2011

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Hancock Bank</u>	<u>General</u>	\$ <u>210,538</u>
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
Total		\$ <u>210,538</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ <u>-0-</u>
Petty cash	\$ <u>500</u>

2. INVESTMENTS

The Louisiana Board of Examiners of Nursing Facility Administrators does not maintain investment accounts.

3. DERIVATIVES (GASB 53)

The Louisiana Board of Examiners of Nursing Facility Administrators does not invest in derivatives as part of its investment policy.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

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Notes to the Financial Statement
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Schedule of Capital Assets (includes capital leases)

University/System	Balance 6/30/2010	Prior Period Adjustments	Restated Balance 6/30/2010	Additions	Reclassifi- cation of CIP	** Retirements	Balance 6/30/2011
Capital assets not depreciated:							
Land	\$ 27,300	\$ -	\$ 27,300	\$ -	\$ -	\$ -	\$ 27,300
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ 27,300	\$ -	\$ 27,300	\$ -	\$ -	\$ -	\$ 27,300
Other capital assets:							
Depreciable land improvements	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Buildings	154,697	-	154,697	-	-	-	154,697
** Accumulated depreciation	(20,901)	-	(20,901)	(3,967)	-	-	(24,868)
Total land improvements	133,796	-	133,796	(3,967)	-	-	129,829
Machinery & Equipment	7,877	-	7,877	-	-	-	7,877
** Accumulated depreciation	(3,966)	-	(3,966)	(1,553)	-	-	(5,519)
Total buildings	3,911	-	3,911	(1,553)	-	-	2,358
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 137,707	\$ -	\$ 137,707	\$ (5,520)	\$ -	\$ -	\$ 132,187
Capital asset summary:							
Capital assets not depreciated	\$ 27,300	\$ -	\$ 27,300	\$ -	\$ -	\$ -	\$ 27,300
Other capital assets, book value	162,574	-	162,574	-	-	-	162,574
Total cost of capital assets	189,874	-	189,874	-	-	-	189,874
Accumulated depreciation/amortization	(24,867)	-	(24,867)	(5,520)	-	-	(30,387)
Capital assets, net	\$ 165,007	\$ -	\$ 165,007	\$ (5,520)	\$ -	\$ -	\$ 159,487

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E. INVENTORIES

The Louisiana Board of Examiners of Nursing Facility Administrators has no inventory.

F. RESTRICTED ASSETS

The Louisiana Board of Examiners of Nursing Facility Administrators has no restricted assets.

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Board of Examiners of Nursing Facility Administrators has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2011 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be zero. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana Board of Examiners of Nursing Facility Administrators are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system

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(PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Louisiana Board of Examiners of Nursing Facility Administrators employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://lasers.websitegadget.com/uploads/LASERS_2010_CAFR.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Louisiana Board of Examiners of Nursing Facility Administrators is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2011, increased to 20.0% of annual covered payroll from the 18.6% and 18.4% required in fiscal years ended June 30, 2010 and 2009 respectively. The Louisiana Board of Examiners of Nursing Facility Administrators contributions to the System for the years ending June 30, 2011, 2010, and 2009, were \$45,739, \$37,149, and \$29,601, respectively, equal to the required contributions for each year.

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I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

1. Calculation of Net OPEB Obligation

The other postemployment benefits (OPEB) calculation for the year ended June 30, 2011 is as follows:

Annual OPEB expense and net OPEB Obligation		6/30/2011
Fiscal year ending		
1. * ARC		\$49,800
2. * Interest on NOO (4%)		\$8,400
3. * ARC adjustment		(\$8,000)
4. * Annual OPEB Expense		\$50,200
5. Contributions (employer pmts. to OGB for retirees' cost of 2011 insurance premiums)		-
6. Increase in Net OPEB Obligation		\$50,200
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)		\$210,300
8. **NOO, end of year		<u>\$260,500</u>

J. LEASES

The Louisiana Board of Examiners of Nursing Facility Administrators had no leases.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2011:

	Year ended June 30, 2011			Balance June 30, 2011	Amounts due within one year
	Balance June 30, 2010	Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$	\$
Bonds payable					
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable				-	-
Compensated absences payable	19,507	2,555		22,062	-
Capital lease obligations				-	-
Claims and litigation				-	-
Pollution remediation obligation				-	-
OPEB payable	210,300	50,200		260,500	-
Other long-term liabilities				-	-
Total other liabilities	<u>229,807</u>	<u>52,755</u>	<u>-</u>	<u>282,562</u>	<u>-</u>
Total long-term liabilities	<u>\$ 229,807</u>	<u>\$ 52,755</u>	<u>\$ -</u>	<u>\$ 282,562</u>	<u>\$ -</u>

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L. CONTINGENT LIABILITIES

The Louisiana Board of Examiners of Nursing Facility Administrators had no contingent liabilities.

M. RELATED PARTY TRANSACTIONS

The Louisiana Board of Examiners of Nursing Facility Administrators had no related-party transactions.

N. ACCOUNTING CHANGES

There were no accounting changes made during the year.

O. IN-KIND CONTRIBUTIONS

There were no in-kind contributions.

P. DEFEASED ISSUES

There were no defeased issues.

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

There were no revenues pledged or sold.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

There were no government-mandated exchange transactions.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At June 30, 2011, the Louisiana Board of Examiners of Nursing Facility Administrators had no violations of finance-related or contractual provisions.

T. SHORT-TERM DEBT

The Louisiana Board of Examiners of Nursing Facility Administrators had no short-term debt.

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U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2011, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$	\$	\$ 11,245	\$	\$ 11,245
					-
Gross receivables	\$ -	\$ -	\$ 11,245	\$ -	\$ 11,245
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ -	\$ 11,245	\$ -	\$ 11,245
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2011, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 8,472	\$ 5,331	\$	\$	\$ 13,803
					-
Total payables	\$ 8,472	\$ 5,331	\$ -	\$ -	\$ 13,803

W. SUBSEQUENT EVENTS

These financial statements have considered subsequent events through August 23, 2011, the date the financial statements were available to be issued.

X. SEGMENT INFORMATION

There was not segment information to report.

Y. DUE TO/DUE FROM AND TRANSFERS

There were no due to/due from and transfers.

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Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

There were no liabilities payable from restricted assets in the Louisiana Board of Examiners of Nursing Facility Administrators at June 30, 2011.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

There were no prior year adjustments made to restate beginning net assets.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

There were no net assets restricted by enabling legislation at June 30, 2011.

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

There was no impairment of capital assets or insurance recoveries to be reported at June 30, 2011.

DD. EMPLOYEE TERMINATION BENEFITS

There were no termination benefits to be reported at June 30, 2011.

EE. POLLUTION REMEDIATION OBLIGATIONS

There were no pollution remediation obligations to be reported at June 30, 2011.

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

There were no ARRA revenue or expenses to be reported at June 30, 2011.

STATE OF LOUISIANA
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SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2011

Name	Amount
<u>Delbert Wilbanks</u>	<u>\$ 375</u>
<u>Scott Crabtree</u>	<u>525</u>
<u>Martin Stott</u>	<u>300</u>
<u>Dr. Betty Dennis</u>	<u>150</u>
<u>Ronald Goux</u>	<u>150</u>
<u>Earl Thibodaux</u>	<u>750</u>
<u>Ray Naquin</u>	<u>300</u>
<u>Dr. Susan Nelson</u>	<u>150</u>
<u>Kemp Wright</u>	<u>600</u>
<u>Patricia LaBrosse</u>	<u>450</u>
 Total	 \$ <u>3,750</u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1
See accountant's report.

STATE OF LOUISIANA

LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$3 million, explain the reason for the change.

	<u>2011</u>	<u>2010</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 487,127	\$ 486,073	\$ 1,054	\$.21%
Expenses	550,996	550,356	640	.12%
2) Capital assets	159,487	165,007	5,520	3.35%
Long-term debt	282,562	229,807	52,755	22.96%
Net Assets	(145,058)	(81,189)	(63,869)	(78.67%)
Explanation for change:	<hr/> <hr/> <hr/> <hr/>			

SCHEDULE 15

See accountant's report.